

HOUSE BILL 1536

By Lamberth

AN ACT to amend Tennessee Code Annotated, Title 8,
Chapter 4, Part 5, relative to reporting fraud,
waste, or abuse to the comptroller of the treasury.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-4-502(4), is amended by deleting the subdivision and substituting instead the following:

(4) "Unlawful conduct" means theft, forgery, credit or debit card fraud, or any other act of unlawful taking, waste, or abuse of, or official misconduct, as defined in § 39-16-402, involving public money, property, or services.

SECTION 2. Tennessee Code Annotated, Section 8-4-503, is amended by deleting the section and substituting instead the following:

(a) A public official with knowledge based upon available information that reasonably causes the public official to believe that unlawful conduct has occurred shall report the information in a reasonable amount of time to the office of the comptroller of the treasury.

(b) A certified public accountant or firm conducting an audit, investigation, or other engagement under a contract with the comptroller of the treasury, or with a public entity that requires approval by the comptroller of the treasury, shall promptly report any reasonable suspicion of unlawful conduct to the office of the comptroller of the treasury.

(c) The comptroller of the treasury may prescribe the method of making the report.

SECTION 3. Tennessee Code Annotated, Section 8-4-504, is amended by deleting the section and substituting instead the following:

(a) If acting in good faith, a public official, or a certified public accountant or firm, makes a report, as required by § 8-4-503, the person or firm shall not be liable in any civil or criminal action that is based solely upon:

(1) The person's or firm's decision to report what the person or firm believed to be unlawful conduct;

(2) The person's or firm's belief that reporting the unlawful conduct was required by law or by contract; or

(3) The fact that a report of unlawful conduct was made.

(b) No immunity conferred pursuant to subsection (a) shall attach if the person or firm reporting the unlawful conduct:

(1) Participated in or benefited from the unlawful conduct; or

(2) Knowingly provides false information pursuant to this part.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.